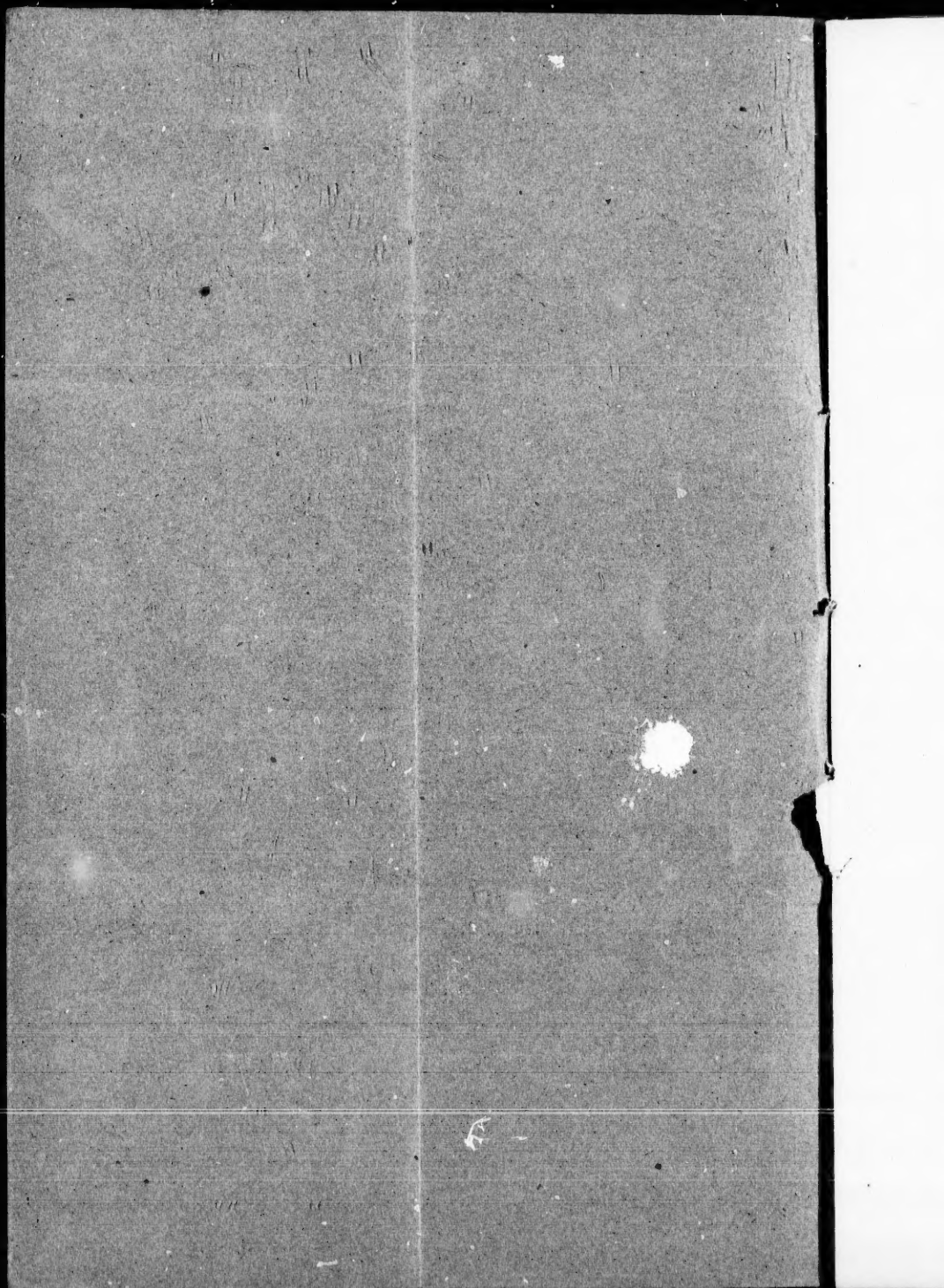




COPY OF CONTRACT
BETWEEN
HUGH ALLAN & THE POSTMASTER-GENERAL,
FOR A
WEEKLY LINE OF OCEAN STEAMERS
TO
Carry the Mails between Liverpool and Canada, from
1st April, 1860, to 1st January, 1867.

On the Sixth day of April, in the year of Our Lord One Thousand Eight Hundred and Sixty, before us, the undersigned Public Notaries, duly commissioned and sworn in and for that part of the Province of Canada, called Lower Canada, residing in the City of Quebec, *Personally came and appeared*, HUGH ALLAN, Esquire, Merchant, residing in the City of Montreal, of the first part, and the Honorable SIDNEY SMITH, Postmaster-General for the Province of Canada, residing in the city of Quebec, acting hereinfor and on behalf of Her Majesty's Government in the said Province of the second part, authorized for the purposes hereof by an order of the Governor in Council passed under an Act of the Legislature of Canada, of the present session thereof, intituled, "An Act to grant additional aid to the Canadian Line of Steamers, and for the Extension of the Line of Telegraph to Belle-Isle," on the Fifth Day of April instant.

Which said parties, acting as aforesaid, in the presence of us the said Notaries, did and do hereby covenant, promise and agree to and with each other in manner and form following, that is to say :

The said HUGH ALLAN did and doth hereby promise and engage, and bind and oblige himself, his heirs and assigns, to establish, maintain and keep up a regular line of large and powerful Screw Steamers, to ply between the Port of Liverpool and the Port of Quebec or Montreal, once in every seven days during the season of and for the navigation of the River St. Lawrence, and between the Ports of Liverpool and Portland once also in every seven days during the Winter.

That the said Steamers shall be first-class vessels, and shall not, with the exception of the *Anglo-Saxon*, *Canadian*, and *North American*, now belonging to the said Hugh Allan, be less than two thousand and three hundred tons builder's measurement, and not less than five hundred horse-power, and shall not be inferior in speed, comfort and power to the steamship called the "*Bohemian*," belonging to the said Hugh Allan.

That the said Hugh Allan shall be bound to perform the service to and from Liverpool and to and from Quebec or Montreal during the St. Lawrence navigation until its close every year, and to make at least twenty-six trips from Liverpool to Quebec or Montreal during the St. Lawrence navigation, and at least twenty-six trips from Quebec or Montreal to Liverpool during the said time; and the communication between Liverpool and Portland shall commence each year at the time of the close of the navigation of the River St. Lawrence, and continue till the opening thereof, and during that time the said Hugh Allan shall be bound to make weekly trips from Liverpool to Portland, and weekly trips from Portland to Liverpool, so that during each year there shall be provided a weekly service of fifty-two voyages both to and from America; the said Contractor hereby binding himself to call with each of the said Steamers, and receive and land the Mails at such Port in Ireland and in the St. Lawrence as may be from time to time decided upon by the Postmaster-General of this Province.

And it is covenanted and agreed by and between the said parties, that one of the said Steamers shall leave Liverpool and one shall leave Quebec or Montreal once every seven days

during the St. Lawrence navigation season, and that one shall leave Liverpool and Portland respectively also once every seven days during the time when the navigation shall be closed on the River St. Lawrence in the winter.

It is understood that the said Contractor shall have the option from time to time of deciding on the Port of Quebec, or that of Montreal for the termination of the trips of the said Vessels to the St. Lawrence, as the state of the water in the River and Lake, or other cause, may in his judgment make it advisable; but he shall not have the right to terminate the voyage at Quebec without the sanction of the Postmaster-General.

That two new Steamers shall be built and ready for sea by the first day of January next, and all the said Steamers shall be provided by the said Contractor, and shall be ready, and all the other arrangements made, so as to continue the regular service of the weekly line; and in the event of the Contractor being unable to continue the regular weekly trips at any time thereafter, this present Contract is to be considered and declared null and void and of no effect whatever, and the said Contractor is, within six calendar months thereafter, to repay to the Government of Canada all moneys that may have been advanced to him for and on account of the said service.

That the said line shall hereafter be maintained regularly and in full operation up to and until the first day of January, in the year One Thousand Eight Hundred and Sixty-seven, and that during that time the said Contractor shall be bound to carry by each trip of the said Steamers such Mails as may be given to him, or to the Officers in charge of his Vessels, by the Postmaster-General of this Province for transmission to Liverpool or Ireland, or by the Post Office authority in Liverpool or Ireland for carriage to this Province, or such other Mails between the said Ports as may be required to be carried at the instance or by the command of the Postmaster-General of this Province; but there is to be no liability under this Contract on the part of the said Contractor for the contents of the said Mails when

the same are not delivered, in case the failure to deliver the same is the result of the dangers of the sea, or of such as are peculiar to steam navigation, and not caused by neglect, or by want of proper skill, or by misconduct on the part of the said Contractor, his agents, or servants.

And the said Contractor shall find and furnish sufficient accommodation and space on board each of the said Steamers for keeping the Mails, and for assorting and distributing the same on board, and to be called "Post Office," and to fit up such apartments in such manner as the said Postmaster-General shall require; and also shall and will carry and transport on board each of such Steamers such Officers and Clerks, not exceeding two in number in each Steamer, for the purpose of guarding, assorting and taking care of such Mails, and to find and provide them with the usual rations and cabin accommodation.

That the said Contractor shall furnish and supply the said Steamers with sufficient fuel, stores and provisions, tackle, and all things needful and necessary to enable them to perform the voyages contracted for, and to secure the safety of the Mails and Passengers.

That the days for the departure of the said Steamers shall be appointed by His Excellency the Governor General in Council, and so often as he may think fit and proper for the best interests of the public service; provided that in cases of changes two months' notice be given to the Contractor by the Government. The said Postmaster General shall, in case of need, have the right to delay the sailing of any of the said ships for the space of twenty-four hours.

And by these presents, the said Hugh Allan doth bind and oblige himself to have at all times the command of a sufficient number of Steamers, of the description aforesaid, to perform the trips hereinbefore mentioned and agreed upon; and that the time occupied by the said Steamers on the outward passage from Liverpool shall not exceed fourteen days, and on the

homeward passage shall not exceed thirteen days on an average of the trips performed every three months.

That the said Contractor shall and will from time to time, and at all times during the continuance of this Contract, make such alterations or improvements in the construction, equipments, or machinery of each and every of the said Vessels which shall be used by him in the performance of this Contract, as the advanced state of science may suggest, and advertise the sailing of the Steamers in Europe and America in such manner as the Governor in Council may direct.

The present Contract is thus made for and in consideration of the price or subsidy of Four Hundred and Sixteen Thousand Dollars for each and every year of its duration, beginning from the First Day of April, One Thousand Eight Hundred and Sixty, from which time the existing Contract shall no further exist, save as to the advance made thereon; and which the said Honorable Sidney Smith, acting as aforesaid, did, and doth hereby promise and bind and oblige the Government of this Province to pay to the said Hugh Allan, or order, as follows, to wit:—

In consideration of the above, and of the stipulations hereinafter made, and for the purpose of aiding the said Hugh Allan in the building of the said two new Steamers, he the said Hugh Allan shall receive from Her Majesty's Government in this Province of Canada, and the said Postmaster-General did and doth hereby bind himself to pay to the said Hugh Allan the sum of Two Hundred and Twenty Thousand Dollars, and which the said Hugh Allan acknowledges to have received from the said Government before the date of these presents, the same being an advance of part of the subsidy for the year One Thousand Eight Hundred and Sixty, and from the said sum the said Hugh Allan doth hereby release and discharge the said Government: and the said Hugh Allan shall also receive from the Government of Canada aforesaid, on the First

Day of August next, Two Hundred Thousand Dollars, and the further sum of One Hundred and Twenty Thousand Dollars, on the First Day of January next ; Provided that the said two new Steamers are contracted for and in course of construction before the first of such sums of Two Hundred Thousand Dollars is advanced ; and provided further that satisfactory security be given to the said Government for such advances ; and for the future the said annual subsidy of Four Hundred and Sixteen Thousand Dollars shall be paid quarterly every year, and in advance, in four equal instalments of One Hundred and Four Thousand Dollars each, to be paid on the first day of each quarter, that is to say, on the first of the months of April, July, October and January respectively, to the said Contractor, during the existence of this Contract.

That for all advances made and to be made to the said Contractor, and for the performance of the service contracted for, satisfactory security shall be taken in such manner and for such amount or amounts as the Government of Canada may direct and desire.

And it is declared and agreed by and between the said parties, that the said Contractor shall not be called upon to pay for light dues, or other Provincial or local dues, taxes, or imposts whatsoever, during this Contract, to which the said Contractor as owner of the Steamers to be employed on the said service should be liable.

And it is further covenanted and agreed by and between the said parties, that the said Hugh Allan doth bind and oblige himself to pay to the Receiver-General of this Province, for every trip not performed, according to this contract, a penalty of five thousand dollars, and shall not be entitled to the payment for the trip or trips not made in proportion to the amount of the present contract for the whole of the trips contracted for.

It is also expressly understood and agreed that it shall be at

the option of the Government of Canada, to put an end to this contract, and render the same null and void at any time, should the terms and conditions thereof not be fairly fulfilled and carried out in their true and honest meaning, and that without being obliged to have recourse to law; but should the Government of Canada determine upon annulling the contract, no penalty shall be payable for the breach or any of the breaches for which the contract shall be so annulled, nor shall any penalty be incurred by any delay occasioned by shipwreck or other accident, not arising from misconduct or from want of skill or foresight on the part of the contractor or his servants.

It is further agreed, covenanted and understood between the said parties, that the said contractor may bring this contract to a close the thirty-first day of December of any year, provided the said contractor shall have previously given notice in writing to the Secretary of the Province of Canada, at least six months before hand, and shall have previously paid into the Office of the Receiver-General of the Province of Canada, all moneys that may have been advanced to him, the contractor, on account of this contract, for which the consideration on his part shall not be fully and satisfactorily performed.

And for the due execution hereof, the parties have made election of domiciles, towit, the said contractor at his actual residence, and the said Honorable Sidney Smith, at the Post Office Department, at which places, &c. For thus, &c.

Thus done, passed and sealed, at the City of Quebec aforesaid, in the Office of Joseph Petitclerc, one of the said Notaries, on the day, month and year first above written, under the number eleven thousand two hundred and nine.

And the said parties, together with WILLIAM HENRY GRIFFIN, Esquire, Deputy Postmaster-General, also present, have set and subscribed their names and signatures to these presents, together with us the said Notaries, in faith and testimony of

the premises, these presents being first duly read according to law.

Signed on the original, remaining of record in the office of Joseph Petitelerc, one of the undersigned Notaries.

HUGH ALLAN.
SIDNEY SMITH,
Postmaster-General of Canada.
W. H. GRIFFIN,
Dpty. P. M. General.

EDOUARD J. LANGEVIN, N.P.
JH. PETITCLERC, N.P.

(True Copy.)

JH. PETITCLERC, N.P.

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